

PARIS

July 24, 2025

In first-half 2025, Valeo continued to improve its profitability, with an operating margin of 4.5% and free cash flow of 252 million euros, in line with its 2025 profitability and cash generation objectives

In first-half 2025, Valeo's results are in line with the trajectory it set out, with improved profitability and cash generation thanks to the rigorous management of its activities. In particular, this involves strict price management, measures to reduce its costs and investments and a repositioning toward new contracts with better margins:

- Sales of 10,660 million euros, down 1.4% on a like-for-like basis
- Gross margin at 19.6% of sales (up 1.1 percentage points on first-half 2024)
- EBITDA margin at 13.8% of sales (up 1.4 percentage points on first-half 2024)
- Operating margin at 4.5% of sales (up 0.5 percentage points on first-half 2024)
- Free cash flow before one-off restructuring costs of 332 million euros
- Free cash flow after one-off restructuring costs of 252 million euros, despite a negative contribution of working capital of 77 million euros
- Net debt at 4,183 million euros, mainly due to an adverse currency effect of 260 million euros, and leverage ratio at 1.4x EBITDA
- Order intake of 11.8 billion euros, up 30%
- 2025 objectives: margin and free cash flow objectives confirmed, sales objective adjusted to around 20.5 billion euros, mainly to account for an adverse currency effect of 750 million euros

“Our first-half 2025 results demonstrate our capacity to take a new step in improving our profitability and cash generation.

Our gross margin, EBITDA, operating margin and cash generation are up sharply. All our Divisions reported progress.

Our strong discipline in price management, both in terms of the profitability of new orders and the management of current production, continues to support our profitability. In particular, the net impact of tariffs in the United States was not material over the period.

Cost-cutting measures also made a decisive contribution to improving our financial performance. Administrative costs were down by 5%, investments by 23%, and gross R&D expenditure by 11%. I would like to thank our teams for their efforts in these areas and the quality of our first-half results.

These solid results were achieved in an environment where the strong growth of Chinese automakers is rapidly changing the global mix. We very quickly took steps to accelerate our exposure to these customers. In the first half of the year, we recorded major wins, with order intake from Chinese automakers accelerating to almost three times our sales.

In today's complex and demanding environment, we are continuing to prepare for the future and preserve our capacity for innovation. During the period, our customers demonstrated their trust in us: General Motors and Volkswagen named Valeo a supplier of the year, acknowledging the work put in by Valeo's teams to achieve the highest level of operating performance. Order intake rose 30% to 11.8 billion euros in the first half, in line with our strong price discipline.

Our roadmap is clear – create the conditions for future growth, and improve our financial performance today through a lower break-even point and strict price discipline.”

Christophe Périllat, Valeo's Chief Executive Officer

Key figures

The financial statements for first-half 2025 were authorized for issue by the Board of Directors on July 24, 2025.

| | | H1 2025 | H1 2024 | Change |
|--|-------------------|---------|---------|--------|
| Order intake | (in €bn) | 11.8 | 9.1 | +30% |
| Income statement | | | | |
| Sales | (in €m) | 10,660 | 11,117 | -4% |
| Gross margin | (in €m) | 2,094 | 2,055 | +2% |
| | (as a % of sales) | 19.6% | 18.5% | |
| R&D expenditure | (in €m) | (1,115) | (1,079) | +3% |
| | (as a % of sales) | (10.5%) | (9.7%) | |
| Administrative and selling expenses | (in €m) | (503) | (531) | -5% |
| | (as a % of sales) | (4.7%) | (4.8%) | |
| Operating margin* | (in €m) | 476 | 445 | +7% |
| | (as a % of sales) | 4.5% | 4.0% | |
| Other income and expenses | (in €m) | (86) | (50) | na |
| Cost of debt | (in €m) | (117) | (123) | -5% |
| Net attributable income | (in €m) | 104 | 141 | -26% |
| | (as a % of sales) | 1.0% | 1.3% | |
| Basic earnings per share | (in €) | 0.43 | 0.58 | na |
| Statement of cash flows | | | | |
| EBITDA* | (in €m) | 1,472 | 1,383 | +6% |
| | (as a % of sales) | 13.8% | 12.4% | |
| Investments in property, plant and equipment | (in €m) | (429) | (600) | -29% |
| Investments in intangible assets | (in €m) | (486) | (592) | -18% |
| of which capitalized development expenditure | (in €m) | (468) | (565) | -17% |
| Change in working capital | (in €m) | (77) | 233 | na |
| of which changes in inventory | (in €m) | 162 | 290 | na |
| Free cash flow* before one-off restructuring costs | (in €m) | 332 | 146 | +127% |
| One-off restructuring costs | (in €m) | (80) | (25) | na |
| Free cash flow* after one-off restructuring costs | (in €m) | 252 | 121 | +108% |
| Financial structure | | | | |
| Net debt* | (in €m) | 4,183 | 3,813 | +370 |
| Leverage ratio (net debt to EBITDA) | N/A | 1.4 | 1.3 | na |

* See financial glossary, page 13.

Sales of 10,660 million euros in first-half 2025

| Sales (in millions of euros) | As a % of sales | H1 2025 | H1 2024 | Change | FX | Scope | LFL* change |
|---------------------------------|--------------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Original equipment | 84% | 8,904 | 9,295 | -4.2% | -1.0% | -1.2% | -2.0% |
| Aftermarket | 10% | 1,114 | 1,190 | -6.4% | -2.7% | -5.6% | +1.9% |
| Miscellaneous | 6% | 642 | 632 | +1.6% | -0.4% | +1.0% | +1.0% |
| Total | 100% | 10,660 | 11,117 | -4.1% | -1.2% | -1.5% | -1.4% |

* Like for like⁽¹⁾

Automotive production, which increased 3.1% compared with the same period in 2024, varied depending on the region:

- production rose by 11.9% in China, supported by government measures relating to new-energy vehicles, and by exports;
- in Europe and North America, production was down by 3.2% and 4.1% respectively, in an environment marked by the introduction of new tariffs.

Total sales came in at 10,660 million euros, down 4.1% compared with first-half 2024.

Changes in exchange rates had a negative 1.2% impact, primarily due to the increase in value of the euro against the other major international currencies, particularly in the second quarter.

Changes in Group structure had a negative 1.5% impact, due to the sales of the Thermal Commercial Vehicles business on June 30, 2024, and of PIAA, which produces and distributes aftermarket equipment, in August 2024.

On a like-for-like basis, sales fell by 1.4%.

Original equipment sales were down by 2.0% on a like-for-like basis. They were impacted by a negative 3.2 percentage point geographic mix effect, by the rapid change in the customer mix, with Chinese automakers representing an increasing share, and by difficulties faced by certain customers in electrification in North America and on certain platforms in Europe. They were also impacted by the discontinuation of ADAS projects with below-average margins. However, sales were buoyed by good momentum in the POWER Division's thermal systems and transmission systems activities, and the BRAIN Division's Interior Experience business in displays and telematics.

Aftermarket sales rose by 1.9% on a like-for-like basis compared with the prior-year period, fueled by the increased number and age of vehicles on the road, and a more attractive offering of value-added products in areas such as electrification and remanufacturing.

“Miscellaneous” sales, which are essentially made up of tooling and customer contributions to R&D, increased by 1.0% on a like-for-like basis.

⁽¹⁾ See financial glossary, page 13.

Original equipment sales down 2.0% like for like in first-half 2025

| Original equipment sales*** (in millions of euros) | As a % of sales | H1 2025 | H1 2024 | Change | LFL* change | Perf. ** |
|---|-----------------|--------------|--------------|------------|-------------|---------------|
| Europe & Africa | 51% | 4,522 | 4,601 | -2% | -1% | +2 pts |
| Asia, Middle East & Oceania | 29% | 2,541 | 2,687 | -5% | -3% | -11 pts |
| o/w Asia (excluding China) | 16% | 1,413 | 1,421 | -1% | +3% | 0 pts |
| o/w China | 13% | 1,128 | 1,266 | -11% | -8% | -20 pts |
| North America | 19% | 1,692 | 1,834 | -8% | -6% | -2 pts |
| South America | 2% | 149 | 173 | -14% | +12% | +4 pts |
| Total | 100% | 8,904 | 9,295 | -4% | -2% | -5 pts |

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on July 16, 2025 (H1 25 global production growth: +3%).

*** Original equipment sales by destination region.

In first-half 2025, original equipment sales fell by 2.0% like for like, underperforming automotive production by 5 percentage points. This performance includes a negative 3.2 percentage point impact due to an unfavorable geographic mix.

In Europe and Africa, Valeo outperformed automotive production by 2 percentage points, despite the slowdown on certain electric vehicle platforms, the unfavorable base effect linked to customer compensation received in the second quarter of 2024, and the discontinuation of ADAS projects with below-average margins. All Divisions recorded growth in original equipment sales that outpaced global automotive production. Business in the region is being driven by the sound performance of the thermal systems business (POWER Division), the Interior Experience business (BRAIN Division) with production start-ups and ramp-ups in displays and telematics, and numerous production launches in lighting (LIGHT Division) for European automakers.

In North America, the Group underperformed automotive production by 2 percentage points, reflecting the postponement of a number of production start-ups in the BRAIN and LIGHT Divisions at a global automaker and at North American electric vehicle manufacturers. However, sales were lifted by strong momentum in the transmission systems business (POWER Division).

In China, the Group underperformed automotive production by 20 percentage points, illustrating the acceleration in market share gains by Chinese automakers. In this environment, the Group is continuing to reposition its customer portfolio (around 50% of original equipment sales and around 65% of order intake was recorded with automakers in China, excluding JVs, in the first half of 2025). The BRAIN Division's business was hit by the discontinuation of ADAS projects with below-average margins. It is worth noting the good performance of (i) the high-voltage electrification systems and thermal systems businesses (POWER Division) with local automakers, and (ii) the Interior Experience business (BRAIN Division) with production start-ups and ramp-ups in displays and telematics, as well as numerous production launches with new players in electrification in China (LIGHT Division).

In Asia excluding China, Valeo performed in line with the market.

In South America, the Group outperformed automotive production by 4 percentage points.

Segment reporting

Sales by Division

| Sales by Division (in millions of euros) | H1 2025 | H1 2024 | Change in sales | Change in OE sales* | Perf. ** |
|---|---------------|---------------|--------------------|------------------------|---------------|
| POWER | 5,403 | 5,692 | -5% | -1% | -4 pts |
| <i>High-voltage electrification</i> | 462 | 514 | -10% | -9% | -12 pts |
| <i>Other</i> | 4,941 | 5,178 | -5% | 0% | -3 pts |
| BRAIN | 2,526 | 2,569 | -2% | -4% | -7 pts |
| <i>ADAS</i> | 1,575 | 1,659 | -5% | -9% | -12 pts |
| <i>Interior Experience</i> | 951 | 910 | +5% | +4% | +1 pt |
| LIGHT | 2,728 | 2,853 | -4% | -2% | -5 pts |
| OTHER | 3 | 3 | na | na | na |
| GROUP | 10,660 | 11,117 | -4% | -2% | -5 pts |

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on July 16, 2025 (H1 25 global production growth: +3%).

The sales performance for the Divisions reflects the specific product, geographical and customer mix and the relative weighting of the aftermarket in their activity as a whole. On top of the geographical mix effect and exchange rate fluctuations, the three Divisions had to contend with the impacts of the rapid change in their customer mix, with Chinese automakers representing an increasing share.

In 2025, the **POWER** Division underperformed automotive production by 4 percentage points. The Division's performance was affected by the performance of the high-voltage electrification activity, which represented a negative 1 percentage point impact. Business was hit by the decline in activity on certain electric vehicle platforms in Europe. It also faced an unfavorable base effect linked to customer compensation received in the second quarter of 2024. Despite these challenges, it posted a solid performance in Europe and North America, and a significant improvement in its performance in China in the second quarter. The Division is benefiting from strong momentum in its thermal systems activity in Europe and Asia, particularly in China with local automakers, and in its transmission systems business in North America. It is also enjoying strong growth in its high-voltage electrification business in China and India.

The **BRAIN** Division underperformed automotive production by 7 percentage points, which illustrates the discontinuation of ADAS projects with below-average margins. The Division was also penalized by the postponement of production start-ups in North America for a global automaker. The Division was buoyed by strong momentum from the Interior Experience business (displays and telematics), with production start-ups and ramp-ups in Europe and China.

The **LIGHT** Division underperformed automotive production by 5 percentage points. Performance improved sequentially during the period (3 percentage point underperformance in the second quarter), thanks to numerous production launches, with automakers in Europe and with new players in electrification in China. The Division was impacted by the postponement of production start-ups in North America for a global automaker.

Profitability by Division

| EBITDA (in millions of euros and as a % of Division sales) | H1 2025 | H1 2024 | Change |
|--|------------------------------|------------------------------|---------------------------------|
| POWER | 595 11.0% | 585 10.3% | +1.7% +0.7 pts |
| BRAIN | 480 19.0% | 408 15.9% | +17.6% +3.1 pts |
| LIGHT | 361 13.2% | 362 12.7% | -0.3% +0.5 pts |
| Other | 36 | 28 | +28.6% |
| GROUP | 1,472 13.8% | 1,383 12.4% | +6.4% +1.4 pts |

The **POWER** Division posted an EBITDA margin of 11.0%, up 0.7 percentage points, despite lower-than-expected activity on certain electric vehicle platforms in Europe. The increase was driven by the implementation of a restructuring plan in the Division, which includes optimizing its industrial and R&D footprint, mainly in Europe, and cost variabilization.

The **BRAIN** Division posted an EBITDA margin of 19.0%, up by 3.1 percentage points as a result of our efforts to variabilize costs, optimize R&D expenditure and successfully negotiate compensation. The ADAS activity, which posted an EBITDA margin of 19.8% (up 3.2 percentage points), was positively impacted by improved operating efficiency. The Interior Experience activity recorded an EBITDA margin of 17.4%, (up 3.5 percentage points), lifted by cost reduction measures as well as the launch of new high-margin contracts that replace a portfolio of more mature, less profitable products.

The **LIGHT** Division delivered a 0.5 percentage point increase in its EBITDA margin to 13.2%, thanks to the ramp-up of multiple production launches combined with efforts to variabilize costs and improve operating efficiency.

In the first half of the year, Valeo recorded an operating margin of 4.5% and generated free cash flow (after one-off restructuring costs) of 252 million euros

EBITDA margin and operating margin stood at 13.8% and 4.5% of sales respectively, up by 1.4 percentage points and 0.5 percentage points respectively compared with the same period in 2024, despite the Group being faced with a low level of activity.

| | | H1 2025 | H1 2024 | Change |
|--------------------------------|------------------------------|-----------------------|-----------------------|-------------------------|
| Sales | (in €m) | 10,660 | 11,117 | -4% |
| Gross margin | (in €m) (as a % of sales) | 2,094 19.6% | 2,055 18.5% | +2% +1.1 pts |
| EBITDA | (in €m) (as a % of sales) | 1,472 13.8% | 1,383 12.4% | +6% +1.4 pts |
| Operating margin | (in €m) (as a % of sales) | 476 4.5% | 445 4.0% | +7% +0.5 pts |
| Net attributable income | (in €m) (as a % of sales) | 104 1.0% | 141 1.3% | -26% -0.3 pts |

Gross margin represented 19.6% of sales, up 1.1 percentage points on the same period in 2024, reflecting the initial effects of cost reduction measures, the efficiency of our operations and our efforts to defend our prices.

The Group's plan to reduce R&D outlay is beginning to pay off, against a backdrop of significantly higher order intake since 2022. Gross R&D expenditure is down 11% to 1.25 billion euros compared with the same period in 2024.

R&D efficiencies were achieved thanks to:

- the synergies resulting from the creation of the POWER Division;
- standardization of project developments;
- additional skills developed, mainly in cost-competitive countries; and
- the use of artificial intelligence.

The IFRS impact (the difference, in percentage points, between “capitalized development expenditure” as a percentage of sales and “amortization and impairment of capitalized development expenditure” as a percentage of sales) stood at 0.8 percentage points, lower than the expected 1.5 percentage points and down significantly on the first half of 2024 (2.4 percentage point impact).

The lower IFRS impact is due to:

- a 17% drop in capitalized development expenditure to 4.4% of sales (5.1% in first-half 2024), thanks to efficient R&D; and
- the 27% rise in amortization and impairment of capitalized development expenditure to 3.6% of sales (2.7% in first-half 2024).

Consequently, R&D expenditure recognized in the income statement represented 10.5% of sales, up 0.8 percentage points versus first-half 2024.

Administrative and selling expenses were 28 million euros lower than in the first half of 2024 and represented 4.7% of sales, down 0.1 percentage points. This reduction is due to the streamlining and structural reorganization of support functions within the Group.

EBITDA came in at 1,472 million euros, or 13.8% of sales, up 1.4 percentage points year on year (2025 guidance of between 13.5% and 14.5% of sales).

Operating margin came in at 476 million euros, or 4.5% of sales, up 0.5 percentage points on the same period in 2024 (2025 guidance of between 4.5% and 5.5% of sales).

The year-on-year improvement takes into account 49 million euros in net reversals of provisions for unfavorable and loss-making contracts during the first half, including the reversal of provisions for compensation and price increases secured in line with new volume estimates.

The share in net earnings of equity-accounted companies represented a loss of 21 million euros (income of 4 million euros in first-half 2024), reflecting in particular a provision recorded by one of the joint ventures in

respect of a risk following a quality incident, as well as impairment losses charged against assets relating to the Chinese joint venture Faw-Valeo Climate Control Systems.

Operating margin including share in net earnings of equity-accounted companies came out at 455 million euros, or 4.3% of sales, up 0.3 percentage points compared with the same period in 2024.

Operating income amounted to 369 million euros (399 million euros in first-half 2024).

This indicator takes into account other income and expenses for a net negative amount of 86 million euros (negative 50 million euros in first-half 2024), including restructuring costs totaling 63 million euros, which consist mainly of charges relating to one-off restructuring plans in France and Germany. In first-half 2024, other income and expenses included the capital gain on the sale of the Thermal Commercial Vehicles business in an amount of 94 million euros.

The refinancing of Valeo's debt (see the debt section on page 11) in a context of high interest rates led to a cost of debt of 117 million euros (123 million euros in first-half 2024).

Other financial items represented an expense of 34 million euros (expense of 14 million euros in first-half 2024).

The effective tax rate came out at 35%.

The Group recorded **net attributable income** of 104 million euros in first-half 2025, representing 1.0% of sales (141 million euros or 1.3% of sales in the prior-year period), after deducting non-controlling interests in an amount of 31 million euros (32 million euros in first-half 2024).

Return on capital employed (ROCE⁽²⁾) and **return on assets** (ROA⁽²⁾) stood at 16.0% and 7.0% respectively.

⁽²⁾ See financial glossary, page 13.

Free cash flow generation more than doubled compared with first-half 2024

| <i>(in millions of euros)</i> | H1 2025 | H1 2024 |
|---|--------------|--------------|
| EBITDA | 1,472 | 1,383 |
| Investment in intangible assets | (486) | (592) |
| <i>of which capitalized development expenditure</i> | <i>(468)</i> | <i>(565)</i> |
| Investment in property, plant and equipment | (429) | (600) |
| Income tax | (145) | (123) |
| Net payments for the principal portion of lease liabilities | (75) | (64) |
| Change in working capital | (77) | 233 |
| <i>of which changes in inventory</i> | <i>162</i> | <i>290</i> |
| Other | 72 | (91) |
| Free cash flow before one-off restructuring costs | 332 | 146 |
| One-off restructuring costs | (80) | (25) |
| Free cash flow after one-off restructuring costs | 252 | 121 |
| Net financial expenses | (152) | (149) |
| Dividends | (122) | (118) |
| Other financial items | (58) | 103 |
| Net cash flow | (80) | (43) |

In the first half of 2025, the Group generated free cash flow of 252 million euros after one-off restructuring costs (2025 guidance of between 450 and 550 million euros), more than double the free cash flow generated in the first half of 2024.

This mainly reflects:

- the contribution of EBITDA in an amount of 1,472 million euros, up 89 million euros compared with the same period in 2024;
- a fall in investments in intangible assets of 18% compared with the first half of 2024, to 486 million euros; capitalized development expenditure decreased by 17% to 468 million euros, illustrating the first signs of our action plan to improve R&D efficiency;
- strict management of our investments in property, plant and equipment, which fell by 29% compared with the first half of 2024 to 429 million euros (4.0% of sales);
- tax payments for 145 million euros;
- net payments for the principal portion of lease liabilities (IFRS 16 impact) of 75 million euros;
- a negative contribution of working capital of 77 million euros, of which a sustained 162 million euro reduction in inventories – particularly of semiconductors – as supply chains return to normal.

Net cash flow⁽³⁾ represented an outflow of 80 million euros, mainly reflecting:

- 152 million euros in net interest paid;
- 122 million euros in dividends paid to Valeo shareholders and non-controlling shareholders of Group subsidiaries.

³ See financial glossary, page 13.

Net debt of 4,183 million euros and leverage ratio of 1.4x in the first half of 2025 due in particular to an adverse currency effect

Gross debt stood at 6,588 million euros at June 30, 2025, down 449 million euros compared with the end of 2024.

Net debt stood at 4,183 million euros at June 30, 2025, up by 370 million euros compared with December 31, 2024, mainly due to an adverse currency effect relating to cash denominated in yuan and dollars for an amount of 260 million euros. The Group has drawn up an action plan aimed at reducing the associated risk through a specific cash management policy and the gradual repatriation of the amounts invested.

At June 30, 2025, the **leverage ratio** (net debt/EBITDA) came out at 1.4x EBITDA and the **gearing ratio** (net debt/stockholders' equity) stood at 132% of equity.

Valeo's balanced debt profile and solid liquidity position give it a robust financial structure:

- on January 22, Valeo took out a new 100 million euro bilateral bank loan, due January 2029;
- on February 10, Valeo repaid a 50 million euro installment on the loan granted by the European Investment Bank, due February 2030;
- on April 9, 2025, Valeo repaid a 212.5 million euro installment on a *Schuldschein* loan;
- on April 19, Valeo repaid a bilateral bank loan in an amount of 100 million euros;
- on May 20, Valeo issued 650 million euros' worth of 6-year green bonds with a coupon of 5.125%. This represented Valeo's third green bond issuance, with the funds raised intended to finance projects and investments relating to the portfolio of technologies that contribute to low-carbon mobility, particularly for vehicle electrification;
- on June 18, Valeo repaid a 50 million euro installment on the loan granted by the European Investment Bank, due June 2029;
- on June 18, Valeo redeemed 600 million euros' worth of bonds.

Divestiture of non-strategic assets

Valeo aims to dispose of non-strategic assets worth a total of 500 million euros, 400 million euros of which had already been sold by the end of 2024.

Valeo has signed a new sales agreement for an enterprise value of just over 100 million euros. The transaction is expected to complete at the end of 2025, subject to regulatory clearance.

Good start to the year in terms of new orders, with order intake of 11.8 billion euros, and Valeo named a supplier of the year by General Motors and Volkswagen

In the first half of the year, Valeo recorded new orders worth 11.8 billion euros, up 30% compared to the first half of 2024.

The positioning and competitiveness of the Group's technology portfolio with regard to automotive industry megatrends were once again illustrated by major order intake, including with the following automakers:

July 15 – A leading Chinese new energy vehicle (NEV) manufacturer has selected Valeo's 5-in-1 power electronics module for its electrified powertrains. Unifying critical EV power electronics technologies, the module redefines EV electronics architecture with a single SoC and sets a new standard for efficiency and cost effectiveness. Its platform strategy ensures rapid deployment of advanced e-mobility solutions, particularly for the dynamic Chinese market, enabling the project to move from concept to mass production in under a year, with production slated to begin in 2026.

June 25 – European premium global automaker selected Valeo Smart Safety 360 for its level 2 automated driving and parking assistance. With this cutting-edge ADAS system, Valeo brings together its world-class expertise in hardware and software and its complex systems integration capabilities. Valeo will supply its ADAS, with production set to begin in 2026.

May 28 – Valeo has been selected by a premium global automaker for a new radar system to equip its personally-owned vehicles with a hands-off, eyes-off automated driving system that supports unsupervised highway pilot at 130 km/h, without a lead vehicle. This award underscores Valeo's capabilities in innovative system design and system validation, as well as in world-class manufacturing. The production of the breakthrough imaging radar system is set to begin in 2028.

March 25 – Volkswagen Group is working with Valeo and Mobileye to upgrade the advanced driver assistance systems up to Level 2+ ("enhanced partially automated driving") in its upcoming vehicle portfolio based on the MQB platform. Launching in the next few years, this cooperation will improve safety and driving comfort in high-volume vehicles, addressing both customer expectations and regulatory requirements.

In first-half 2025, the quality of Valeo's product portfolio and its operating performance were also recognized on a number of occasions.

In April, Valeo was recognized by General Motors (GM) as a Supplier of the Year in the category of Advanced Driver Assistance Systems (ADAS). The announcement marked the third consecutive year in which GM recognized Valeo for its ADAS innovations.

In June, the Group received the 2025 Best Supplier Award from the Volkswagen Group (VW) for its strategic partnership, innovation and proactive cost and process optimization.

Margin and free cash flow objectives confirmed, sales objective adjusted to around 20.5 billion euros, mainly to account for an adverse currency effect of 750 million euros

| | 2024 | 2025 objectives (a) (b) |
|---|-------|----------------------------------|
| Sales (in billions of euros) | 21.5 | ~20.5 previously 21.5 to 22.5 |
| EBITDA (as a % of sales) | 13.3% | 13.5% to 14.5% unchanged |
| Operating margin (as a % of sales) | 4.3% | 4.5% to 5.5% unchanged |
| Free cash flow before one-off restructuring costs (in millions of euros) | 551 | 700 to 800 unchanged |
| Free cash flow after one-off restructuring costs (in millions of euros) | 481 | 450 to 550 unchanged |

Cumulative free cash flow of around 1 billion euros for the 2024-2025 period, after taking into account 300 million euros in one-off restructuring costs.

(a) Based on S&P Global Mobility estimates as at July 16, 2025 and regulations relating to tax and tariffs, in effect at July 24, 2025.

(b) Second-half margins and free cash flow generation higher than in the first half.

Upcoming events

Third-quarter sales: October 23, 2025 (post market-close)

Investor Day: November 20, 2025 in Paris

Financial glossary

Order intake corresponds to business awarded by automakers during the period to Valeo, and to joint ventures and associates based on Valeo's share in net equity, less any cancellations, based on Valeo's best reasonable estimates in terms of volumes, selling prices and project lifespans. Unaudited indicator.

Like for like (or LFL): the currency impact is calculated by multiplying sales for the current period by the exchange rate for the previous period. The Group structure impact is calculated by adjusting sales by elimination (or by addition in the event of a change in consolidation method) to ensure that the prior period is comparable with the current period.

Operating margin corresponds to operating income before other income and expenses before share in net earnings of equity-accounted companies.

EBITDA corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends from equity-accounted companies.

Free cash flow corresponds to net cash from operating activities (excluding changes in non-recurring sales of receivables and net payments for the principal portion of lease liabilities) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

Net cash flow corresponds to free *cash flow* less (i) cash flows in respect of investing activities, relating to acquisitions and disposals of investments and to changes in certain items shown in non-current financial assets, (ii) cash flows in respect of financing activities, relating to dividends paid, treasury share purchases and sales, interest paid and received, and acquisitions of equity interests without a change in control, and (iii) changes in non-recurring sales of receivables.

Net debt comprises all long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term debt and bank overdrafts, less loans and other long-term financial assets, cash and cash equivalents and the fair value of derivative instruments hedging the foreign currency and interest rate risks associated with these items.

ROCE, or return on capital employed, corresponds to operating margin (including share in net earnings of equity-accounted companies) divided by capital employed (including investments in equity-accounted companies), excluding goodwill.

ROA, or return on assets, corresponds to operating income divided by capital employed (including investments in equity-accounted companies), including goodwill.

Appendices

Second-quarter figures

Sales

| Q2 sales (in millions of euros) | As a % of sales | Q2 2025 | Q2 2024 | Change | LFL* change | FX | Scope |
|------------------------------------|--------------------|--------------|--------------|--------------|----------------|--------------|--------------|
| Original equipment | 82% | 4,404 | 4,741 | -7.1% | -3.4% | -2.5% | -1.2% |
| Aftermarket | 10% | 540 | 593 | -9.1% | +0.6% | -4.2% | -5.5% |
| Miscellaneous | 8% | 403 | 356 | +13.3% | +13.7% | -1.3% | +0.9% |
| Total | 100% | 5,347 | 5,690 | -6.0% | -1.9% | -2.5% | -1.6% |

* Like for like.

Sales by destination region

| Original equipment sales (in millions of euros) | As a % of sales | Q2 2025 | Q2 2024 | LFL* change | Perf. ** |
|--|--------------------|--------------|--------------|-------------|---------------|
| Europe & Africa | 51% | 2,254 | 2,386 | -4% | -2 pts |
| Asia & Middle East & Oceania | 28% | 1,236 | 1,344 | -3% | -9 pts |
| o/w Asia (excluding China) | 16% | 685 | 704 | +1% | 0 pts |
| o/w China | 13% | 552 | 640 | -8% | -17 pts |
| North America | 19% | 839 | 922 | -3% | 0 pts |
| South America | 2% | 75 | 89 | +10% | +1 pt |
| Total | 100% | 4,404 | 4,741 | -3% | -6 pts |

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on July 16, 2025.

6 percentage point underperformance following negative 2.9 percentage point impact of geographic mix.

Sales by Division

| Sales by Division (in millions of euros) | Q2 2025 | Q2 2024 | Change in sales | Change in OE sales* | Perf. ** |
|---|--------------|--------------|-----------------|---------------------|---------------|
| POWER | 2,680 | 2,909 | -8% | -2% | -5 pts |
| <i>High-voltage electrification</i> | 221 | 314 | -30% | -32% | -35 pts |
| <i>Other</i> | 2,459 | 2,595 | -5% | +1% | -2 pts |
| BRAIN | 1,288 | 1,340 | -4% | -8% | -11 pts |
| <i>ADAS</i> | 805 | 864 | -7% | -12% | -15 pts |
| <i>Interior Experience</i> | 483 | 476 | +1% | 0% | -3 pts |
| LIGHT | 1,374 | 1,438 | -4% | 0% | -3 pts |
| OTHER | 5 | 3 | na | na | na |
| GROUP | 5,347 | 5,690 | -6% | -3% | -6 pts |

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on July 16, 2025.

H1 2025 Research and Development

| | | H1 2025 | H1 2024 | Change |
|---|--------------------------|----------------|----------------|-----------------|
| Sales | <i>(in €m)</i> | 10,660 | 11,117 | -4% |
| Capitalized development expenditure | <i>(in €m)</i> | 468 | 565 | -17% |
| | <i>(as a % of sales)</i> | 4.4% | 5.1% | |
| Amortization and impairment of capitalized development expenditure* | <i>(in €m)</i> | (385) | (302) | +27% |
| | <i>(as a % of sales)</i> | (3.6%) | (2.7%) | |
| IFRS impact | <i>(in €m)</i> | 83 | 263 | -68% |
| | <i>(as a % of sales)</i> | 0.8% | 2.4% | -1.6 pts |
| | | H1 2025 | H1 2024 | Change |
| Gross Research and Development expenditure | <i>(in €m)</i> | (1,256) | (1,405) | -11% |
| | <i>(as a % of sales)</i> | (11.8%) | (12.6%) | |
| IFRS impact | <i>(in €m)</i> | 83 | 263 | -68% |
| | <i>(as a % of sales)</i> | 0.8% | 2.4% | -1.6 pts |
| Subsidies and grants, and other income | <i>(in €m)</i> | 58 | 63 | -8% |
| Research and Development expenditure | <i>(in €m)</i> | (1,115) | (1,079) | +3% |
| | <i>(as a % of sales)</i> | (10.5%) | (9.7%) | -0.8 pts |

* Impairment losses recorded in operating margin only.

H1 2025 income statement

| | | H1 2025 | H1 2024 | Change |
|---|---------------------------|---------------|---------------|----------|
| Sales | <i>(in €m)</i> | 10,660 | 11,117 | -4% |
| Gross margin | <i>(in €m)</i> | 2,094 | 2,055 | +2% |
| | <i>(as a % of sales)</i> | 19.6% | 18.5% | +1.1 pts |
| R&D expenditure | <i>(in €m)</i> | (1,115) | (1,079) | +3% |
| | <i>(as a % of sales)</i> | (10.5%) | (9.7%) | |
| Administrative and selling expenses | <i>(in €m)</i> | (503) | (531) | -5% |
| | <i>(as a % of sales)</i> | (4.7%) | (4.8%) | |
| Operating margin excluding share in net earnings of equity-accounted companies | <i>(in €m)</i> | 476 | 445 | +7% |
| | <i>(as a % of sales)</i> | 4.5% | 4.0% | +0.5 pts |
| Share in net earnings of equity-accounted companies | <i>(in €m)</i> | (21) | 4 | na |
| | <i>(as a % of sales)</i> | (0.2%) | 0% | |
| Operating margin including share in net earnings of equity-accounted companies | <i>(in €m)</i> | 455 | 449 | +1% |
| | <i>(as a % of sales)</i> | 4.3% | 4.0% | +0.3 pts |
| Other income and expenses | <i>(in €m)</i> | (86) | (50) | na |
| | <i>(as a % of sales)</i> | (0.8%) | (0.4%) | |
| Operating income | <i>(in €m)</i> | 369 | 399 | -8% |
| | <i>(as a % of sales)</i> | 3.5% | 3.6% | |
| Cost of debt | <i>(in €m)</i> | (117) | (123) | -5% |
| Other financial income and expenses | <i>(in €m)</i> | (34) | (14) | na |
| Income taxes | <i>(in €m)</i> | (83) | (89) | na |
| | <i>Effective tax rate</i> | 35% | 34% | na |
| Non-controlling interests and other | <i>(in €m)</i> | (31) | (32) | -3% |
| Net attributable income | <i>(in €m)</i> | 104 | 141 | na |
| | <i>(as a % of sales)</i> | 1.0% | 1.3% | -0.3 pts |

Safe Harbor Statement

Statements contained in this document which, when they are not historical fact, constitute “forward-looking statements”. These statements include projections and estimates and their underlying assumptions, statements regarding projects, objectives, intentions and expectations with respect to future financial results, events, operations, services, and product development and potential and future performance. Even though Valeo’s Management feels that the forward-looking statements are reasonable as at the date of this document, investors are put on notice that the forward-looking statements are subject to numerous factors, risks and uncertainties that are difficult to predict and generally beyond Valeo’s control, which could cause actual results and events to differ materially from those expressed or projected in the forward-looking statements. Such factors include, among others, the Company’s ability to generate cost savings or manufacturing efficiencies to offset negotiated or imposed price reductions. The risks and uncertainties to which Valeo is exposed mainly comprise risks related to the automotive equipment industry and to the development and launch of new products and risks due to certain global and regional economic and geopolitical conditions, environmental and industrial risks as well as risks and uncertainties described or identified in the public documents submitted by Valeo to the French financial markets authority (*Autorité des marchés financiers* – AMF), including those set out in the “Risk Factors” section of the 2024 Universal Registration Document registered with the AMF on March 27, 2025 (under number D.25-0180).

In addition, other risks which are currently unidentified or considered to be non-material by the Group, could have the same adverse impact and investors could lose all or part of their investment. Forward-looking statements are given only as at the date of this document and Valeo does not undertake to update the forward-looking statements to reflect events or circumstances which occur subsequent to the publication of this document. Valeo assumes no responsibility for any analyses issued by analysts and any other information prepared by third parties which may be used in this document. Valeo neither intends to review, nor will it confirm, any estimates issued by analysts.

About Valeo

As a technology company and partner to all automakers and new mobility players, Valeo is innovating to make mobility cleaner, safer and smarter. Valeo enjoys technological and industrial leadership in electrification, driving assistance systems, reinvention of the interior experience and lighting everywhere. These four areas, vital to the transformation of mobility, are the Group’s growth drivers.

Valeo in figures: 21.5 billion euros in sales in 2024 | 106,100 employees, 28 countries, 155 plants, 64 research and development centers, 19 distribution platforms at December 31, 2024.

Valeo is listed on the Paris Stock Exchange.

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